

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Pittsfield Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: August 31, 2017

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on October 1 of each fiscal year. The schedule is effective in FY18 (since the amount under the prior schedule was maintained in FY18) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50%.

Although we are approving the schedule, as noted in our July 19, 2017 letter to the Board, we did not recommend this schedule because the amortization of the unfunded liability is not completed until FY37, two years after our recommended date of FY35. We are available to discuss this issue further and will work with you on this in the next actuarial valuation.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



Pittsfield Retirement System
January 1, 2017 Actuarial Valuation

Total appropriation increases 5.1% per year until FY36 with a final amortization payment in FY37

Fiscal Year	Normal Cost	Net 3(8)(c)	Amort. of UAL	Amort. of 2002 ERIP	Total Cost	Unfunded Act. Liab.	Increase in Total Cost
2018	3,555,716	600,000	8,475,275	41,509	12,672,500	140,442,566	
2019	3,715,723	600,000	8,961,566	41,509	13,318,798	141,982,740	5.1%
2020	3,882,930	600,000	9,515,126		13,998,056	143,124,945	5.1%
2021	4,057,662	600,000	10,054,295		14,711,957	143,812,131	5.1%
2022	4,240,257	600,000	10,622,010		15,462,267	143,981,538	5.1%
2023	4,431,069	600,000	11,219,774		16,250,842	143,564,191	5.1%
2024	4,630,467	600,000	11,849,169		17,079,635	142,484,354	5.1%
2025	4,838,838	600,000	12,511,859		17,950,697	140,658,940	5.1%
2026	5,056,585	600,000	13,209,597		18,866,182	137,996,873	5.1%
2027	5,284,132	600,000	13,944,226		19,828,358	134,398,399	5.1%
2028	5,521,918	600,000	14,717,686		20,839,604	129,754,331	5.1%
2029	5,770,404	600,000	15,532,020		21,902,424	123,945,249	5.1%
2030	6,030,072	600,000	16,389,375		23,019,447	116,840,616	5.1%
2031	6,301,425	600,000	17,292,014		24,193,439	108,297,840	5.1%
2032	6,584,990	600,000	18,242,315		25,427,305	98,161,244	5.1%
2033	6,881,314	600,000	19,242,783		26,724,097	86,260,963	5.1%
2034	7,190,973	600,000	20,296,053		28,087,026	72,411,751	5.1%
2035	7,514,567	600,000	21,404,897		29,519,464	56,411,682	5.1%
2036	7,852,722	600,000	22,572,235		31,024,957	38,040,760	5.1%
2037	8,206,095	600,000	17,367,709		26,173,804	17,059,407	-15.6%
2038	8,575,369	600,000			9,175,369	0	-64.9%

Appropriation payments assumed to be made October 1 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

FY18 appropriation maintained from the current schedule.